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GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE

New Delhi, the 25th January 1947

RESOLUTIONS

TARIFFS

No. 218-T(82)/46.—In their Resolution in the Department of Commerce No. 218-T(55)/45, dated the 16th February 1946, the Government of India referred to the Tariff Board a claim to protection received from the Coated Abrasives Industry. The terms of reference to the Tariff Board are contained in paragraph 5 of Commerce Department Resolution No. 218-T(55)/45, dated the 3rd November 1945.

2. The Board, having considered this claim, has submitted its report to Government. The Board considers that the coated abrasives industry qualifies for the grant of protection in the transition period, and has made the following recommendations:—

- (1) "The present revenue duties on abrasive papers (item 30 of the Indian Customs Tariff Schedule), the standard rate being 36 percent. *ad valorem*, the preferential rate on imports from U. K. 24 percent. *ad valorem*, and the preferential rate on imports from Burma 12 percent. *ad valorem*, should be converted into protective *ad valorem* duties and be maintained for the period ending 31st March 1949. This article should be listed as a separate item in the Customs Tariff Schedule.
- (2) The present revenue duty on emery cloth (item 87 of the Indian Customs Tariff Schedule) which is 30 percent. *ad valorem*, should be replaced by a protective duty of 40 percent. *ad valorem* and this should remain in force for the period ending 31st March 1949. This article should also be listed under a separate number in the Customs Tariff Schedule.
- (3) All abrasives, coils, discs, belts, shapes, tapes, etc., made of paper, when they are imported as stores apart from machinery, should be subject to the same protective duties as abrasive papers.
- (4) All abrasive rolls, coils, discs, belts, shapes, tapes, etc., made of cloth, or combination of paper and cloth, when they are imported as stores apart from machinery, should be subject to the same duties as abrasive cloth.
- (5) No import licence for coated abrasives should be issued for the second half of 1946 and thereafter they should be placed on the open general licence list.
- (6) The present revenue duty of 30 percent. *ad valorem* on synthetic grains should be refunded in the case of firms producing coated abrasive paper and cloth of all grades, shapes and sizes.
- (7) The present revenue duty of 30 percent. *ad valorem* on emery and kraft paper should be refunded in the case of firms producing coated abrasive paper and cloth of all grades, shapes and sizes. If evidence is forthcoming that the Indian paper manufacturers are manufacturing kraft

until the case of the paper industry is examined. The question of developing the Indian corundum industry should be taken up for examination at an early date by Government.

(8) Arrangements should be made by the Textile Commissioner to release reasonable quantities of backing cloth of the requisite specifications for the manufacturers of coated abrasive cloth.

(9) All facilities should be given for the exportation of coated abrasives from India.

(10) The Engineering Association of India should be moved to take steps to prescribe suitable standard specification for indigenous coated abrasives."

3. The Government of India have, after careful consideration, decided to accept all the recommendations of the Board except Nos (2), (4), (6) and (7). In regard to abrasive papers, the existing standard rate of 36% *ad valorem*, the preferential rates of 24% on manufacturers of the U. K. or of a British Colony and 12% on imports from Burma will be replaced by protective *ad valorem* duties of 36%, 24% and 12% respectively. These protective duties will remain in force till the 31st March 1949. Similar protective duties will be also levied on all abrasive rolls, coils, discs, belts, shapes, tapes etc., made of paper when they are imported as stores apart from machinery.

4. In view of the figures quoted by the Tariff Board relating to indigenous costs of production of emery cloth, and having regard to paragraph 28 of the Board's report, Government have come to the conclusion that the existing revenue duty of 30% *ad valorem* on emery cloth affords adequate protection to Indian manufacturers and have therefore decided to convert this duty into a 30% protective duty. This new duty will remain in force up to the 31st March 1949. As regards recommendation (4), which follows from recommendation (2), all abrasive rolls, coils, etc., made of cloth or a combination of paper and cloth will also be subject to a protective duty of 30%.

5. Steps have already been taken to give effect to recommendation (5).

6. With regard to recommendations (6) and (7) Government consider that since the protective duties proposed above would give sufficient protection to the industry the grant of a further measure of relief by way of a refund of the 30% revenue duty on synthetic grains and emery and kraft paper is unjustifiable.

7. As regards recommendations (8) and (9), the Government of India would be prepared, so far as possible, to grant the requisite facilities whenever they are approached by the manufacturers.

8. The Government of India in the Department of Industries and Supplies will take steps to

No. 218-T(83)/46.—In their Resolution in the Department of Commerce No. 218-T(55)/46, dated the 18th February 1946, the Government of India referred to the Tariff Board a claim to protection from the hurricane lantern industry. The terms of reference to the Tariff Board are contained in paragraph 5 of Commerce Department Resolution No. 218-T(55)/45, dated the 3rd November 1945.

2. The Board, having considered this claim, has submitted its Report to Government. The Board considers that this industry qualifies for the grant of protection in the transition period and has made the following recommendations :—

- (1) "The existing 30 per cent. revenue duty should be converted into a 30 per cent. *ad valorem* protective duty for a period of three or three and a half years from the 1st October 1946.
- (2) Government should give refund of duty paid on machinery which may be imported in future to develop this industry.
- (3) Facilities should be given to the industry to train technical personnel abroad.
- (4) Facilities should be given to import hurricane lantern manufacturing machinery from any country including the United States of America.

(5) Lantern manufacturers should form an Association.

(6) The Association of hurricane lantern manufacturers, when formed, should approach Government with proposals for assistance in procurement of raw materials to enable the full productive capacity to be utilised."

3. The Government of India accept recommendation (1) and have decided to replace the existing revenue duty of 30% on hurricane lanterns by a protective *ad valorem* duty of 30% till the 31st March 1949.

4. Government are actively considering recommendation (2) relating to remission of duty on imported machinery.

5. As regards recommendations (3) and (4), Government will, so far as possible, grant the requisite facilities whenever they are approached by the manufacturers.

6. The Government of India wish to draw the attention of the industry to recommendations (5) and (6) of the Board contained in paragraph 2 of this Resolution and expect the industry to take necessary steps to implement these recommendations.

ORDER

ORDERED that a copy of this Resolution be communicated to All Provincial Governments, all Chief Commissioners, the several Departments of the Government of India, the Political Department, the Private and Military Secretaries to His Excellency the Viceroy, the Central Board of Revenue, the Auditor General, the Director General of Employment and Resettlement, the Director General, Industries & Supplies, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director of Commercial Intelligence, Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners at New York, Buenos Aires, Toronto, Alexandria,

Colombo, Paris, Mombasa, Tehran and Sydney, the Trade Agent Kabul, His Majesty's Senior Trade Commissioner in India, the American Consulate General, Calcutta, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, the Secretary Tariff Board, Bombay, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*.

N. R. PILLAI, Secy.